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SIPDIS

SENSITIVE

DEPARTMENT FOR WHA/CEN, CA/FPP, EB, AND DS

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SUBJECT: CHINESE SMUGGLING RING IN HONDURAS - CHINAZO
RESURFACES

1. (U) SUMMARY - As part of an ongoing investigation, the Honduran Criminal Investigative Police (DGIC), Prosecutor's from the Organized Crime Division of the Public Ministry, and DHS personnel from Tegucigalpa participated in a series of raids in the cities of San Pedro Sula and Tegucigalpa, uncovering a major alien smuggling ring. The ring specialized in smuggling aliens from the PRC and Hong Kong to the U.S., via Honduras, using falsified Honduran passports and civil documents. Among the documents discovered were false Honduran drivers licenses, false identity cards, stolen Honduran passports, altered Honduran passports, false bankbooks, false civil documents and official seals from the Preventive Police. END SUMMARY

2. (U) On Monday, December 8, Honduran police and prosecutors accompanied by members from the DHS office in Tegucigalpa, arrested two naturalized Honduran citizens at the airport in San Pedro Sula. The arrestees were part of an alien smuggling ring that, according to police, has been in operation for at least four years.

3. (U) On Tuesday, December 9, another naturalized Honduran, Hu Weng Rong, was arrested at the San Pedro Sula airport along with two Chinese aliens. Rong had accompanied the two aliens to the airport and attempted to purchase tickets for them on the Sol Air flight to Miami. Both aliens were traveling with falsified Japanese passports. Subsequently, search warrants were issued for two houses owned by Rong in San Pedro Sula. Evidence uncovered in the search of the two houses included stolen Honduran passports, fraudulent Honduran identity cards and drivers licenses, copies of Honduran naturalization certificates, original seals used by the Honduran Transit Police, a laminating machine and large amounts of laminate. Also found were copies of airway bills for packages that had previously been intercepted by U.S. Customs Miami.

4. (U) On Wednesday, December 10, police arrested another naturalized Honduran, Jia Bin He, outside one of his residence in San Pedro Sula. A search of the premises revealed two negatives of immigration seals used by the governments of Panama and Honduras. Also, a large quantity of Western Union receipts for large amounts of money, several bank books, false civil documents, and USD 4,000 were found.

5. (U) Hu Weng Rong was taken into custody and charged with alien smuggling, falsifying documents and money laundering. Jia Bin He has been charged with forgery of public documents, possession of instruments for producing fraudulent documents, alien smuggling and money laundering. Police contend that the two were using their status as Honduran citizens to acquire and falsify documents to be used smuggling aliens into Honduras and eventually into the U.S.

6. (SBU) Immigration Director Ramon Romero and public prosecutors indicated that many of the former Chinese citizens who had acquired Honduran nationality during the infamous "Chinazo" scandal are the organizers and leaders of this ring. During "Chinazo", Honduran nationality was sold to persons who were supposed to become business investors. The scheme began in 1995 and ended in October 1996. It allegedly netted hundreds of millions of dollars for the Hondurans who organized and ran the operation. Allegations have flourished here about who was involved in Chinazo. The allegations have included former president Callejas and members of his administration who supposedly kept the money, instead of depositing it in the Central Bank, as was required by law. Prosecutors estimate that up to 25,000 people paid from USD 20,000 to USD 25,000 in order to acquire Honduran nationality. Romero pointed out that actual immigration records exist for only two of the estimated 25,000 Chinese investors. In addition, during the operation of Chinazo, there was no control over the issuance of passports, naturalization certificates, or identification cards to the alleged investors.

7. (SBU) Director Romero expressed to FSN Supervisor and Consul General, that he believes this ring is a continuation of the Chinazo scheme. The persons who applied for investor

visas in 1995-96 were issued Honduran passports, naturalization certificates, identity cards and received other documents such as land titles and business records. These same documents, he believes, are now being re-used to smuggle aliens into Honduras. Since there was no control over the initial issuance process, there are only estimates as to the total number of fraudulent naturalization certificates and identification cards in circulation. Coupled with the theft of as many as 1,500 Honduran passports in 2001, Romero believes that an influx of Chinese aliens could easily become uncontrollable for his limited staff and facilities.

18. (U) COMMENT: The large number of Chinese immigrants appearing in Honduras has alarmed local immigration officials. It is believed that passage money is being paid to the smuggling ring, or that the aliens work for local businessmen here in Honduras in order to pay their fare. After paying for their passage, the persons purchase false documentation in order to apply for U.S. visas, or they attempt to enter the U.S. using stolen Japanese passports. To complicate matters, the Immigration Director indicated that he is likely being replaced because he has strictly enforced the law against this smuggling ring. He believes that influence is being brought by the Ministry of Government and Justice, where the Immigration directorate is located, in order to allow this operation to continue. As an aside, he mentioned that many current government officials were also in government service at the time of the Chinazo scandal and some made personal fortunes from the scheme. Post will continue to monitor the situation and keep Department informed of actions taken by the GOH.

PALMER